

30 June 2025



Handelsbanken
Wealth & Asset Management

WEEKLY BULLETIN

Investors bask in a sunny week for markets

Key takeaways

The sunny mood among investors continued last week, as the Israel-Iran ceasefire held, and the US and China announced new trade terms.

A trade deal with China is welcome news for US tech firms...

Investors have been watching and waiting for more details on a trade deal between the US and China, which finally began to appear last week. The most recent news pointed to an agreement which will speed up shipments of Chinese-produced rare earths to the US. These minerals are crucial to the US tech industry, so investors welcomed not only the progress in trade talks but also the potential security provided to a powerful US engine for growth.

... but Canada re-enters the stage for fresh tariff drama

Despite developments between the US and China, tariff drama held on to the headlines over the weekend. In a last-minute debacle, Canada scrapped a planned digital services tax on US tech firms, which was due to come into force on Monday 30 July, reigniting hostilities following weeks of truce. The last-minute change of heart was an overt attempt by Canadian leaders to smooth relations with their neighbour to the south, and was only announced after President Trump threatened to terminate trade talks.

Figures still suggest that the US economy is slowing down

In our last Weekly Bulletin, we highlighted that central bankers would be watching closely for the economic signals provided by so-called 'hard' data (official evidence measuring important economic statistics). Last week, hard data in the form of inflation figures for the US were released, with an update to the Personal Consumption Expenditures (PCE) index. This is the preferred measure of inflation used by the US central bank, the Federal Reserve (Fed), and it showed that inflation had risen by slightly more than expected in May. However, beneath the headline numbers, it also showed that retail sales and food services had weakened. Given the US economy's heavy reliance on its consumers, the Fed will have received this news warily, and it could encourage the bank to make interest rate cuts sooner rather than later in an effort to boost economic activity. Signals from bond markets suggest that bond investors expect rate cuts sooner too.

Market moves

Stock market prices rose last week, as investors were heartened by better geopolitical news. The US market, measured by the S&P 500 Index, reached a new all-time high (in US dollar terms).

It was quite an upbeat week for bonds too, as signs of economic weakness encouraged hopes for interest rate cuts soon, which boosted government bond prices in both the US and UK.

What to look out for this week

Expect more political theatre in the US, where President Trump's tax bill is currently wending its way through the political system ahead of Friday's Independence Day – a US national holiday.

Economic figures due to be released over the course of the week include more inflation data in Europe and the latest monthly employment news from the US.

If you have questions about financial markets, or our investment services, please contact the Marketing team:

marketing.hwam@handelsbanken.co.uk

Important Information

Handelsbanken Wealth & Asset Management Limited is authorised and regulated by the Financial Conduct Authority (FCA) in the conduct of investment and protection business, and is a wholly-owned subsidiary of Handelsbanken plc. For further information on our investment services go to wealthandasset.handelsbanken.co.uk/important-information. Tax advice which does not contain any investment element is not regulated by the FCA. Professional advice should be taken before any course of action is pursued.

- Find out more about our services by contacting us on 01892 701803 or visiting our website: wealthandasset.handelsbanken.co.uk
- Read about how our investment services are regulated, and other important information: wealthandasset.handelsbanken.co.uk/important-information
- Learn more about wealth and investment concepts in our Learning Zone: wealthandasset.handelsbanken.co.uk/learning-zone/
- Understand more about the language and terminology used in the financial services industry and our own publications through our Glossary of Terms: wealthandasset.handelsbanken.co.uk/glossary-of-terms/

All commentary and data is valid, to the best of our knowledge, at the time of publication. This document is not intended to be a definitive analysis of financial or other markets and does not constitute any recommendation to buy, sell or otherwise trade in any of the investments mentioned. The value of any investment and income from it is not guaranteed and can fall as well as rise, so your capital is at risk.

We manage our investment strategies in accordance with pre-defined risk objectives, which vary depending on the strategy's risk profile.

Portfolios may include individual investments in structured products, foreign currencies and funds (including funds not regulated by the FCA) which may individually have a relatively high risk profile. The portfolios may specifically include hedge funds, property funds, private equity funds and other funds which may have limited liquidity. Changes in exchange rates between currencies can cause investments of income to go down or up.

This document has been issued by Handelsbanken Wealth & Asset Management Limited. For Handelsbanken Multi Asset Funds, the Authorised Corporate Director is Handelsbanken ACD Limited, which is a wholly-owned subsidiary of Handelsbanken Wealth & Asset Management, and is authorised and regulated by the Financial Conduct Authority (FCA). The Registrar and Depositary is The Bank of New York Mellon (International) Limited, which is authorised by the Prudential Regulation Authority and regulated by the FCA. The Investment Manager is Handelsbanken Wealth & Asset Management Limited, which is authorised and regulated by the FCA.

Before investing in a Handelsbanken Multi Asset Fund you should read the Key Investor Information Document (KIID) as it contains important information regarding the fund including charges and specific risk warnings. The Prospectus, Key Investor Information Document, current prices and latest report and accounts are available from the following website: wealthandasset.handelsbanken.co.uk/fund-information/fund-information/, or you can request these from Handelsbanken Wealth & Asset Management Limited or Handelsbanken ACD Limited: 77 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS or by telephone on +44 01892 701803.

Registered Head Office: No.1 Kingsway, London WC2B 6AN. Registered in England No: 4132340 wealthandasset.handelsbanken.co.uk